

# Indiana House of Representatives

## News and Information

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### **MOSES, CROOKS, PIERCE: TELECOM PROPOSALS WILL CAUSE RATE INCREASES, POOR SERVICE**

INDIANAPOLIS – If passed into law, telecommunications deregulation legislation currently before the Indiana General Assembly will lead to unchecked rate increases and poor quality of service for phone customers, according to State Reps. Win Moses (D-Fort Wayne), Dave Crooks (D-Washington) and Matt Pierce (D-Bloomington).

Appearing with representatives of several groups opposed to the deregulation push, the three lawmakers said the deregulation push contained in Senate Bill 245 and House Bill 1279 is the most anti-consumer measure presently under consideration in this year's legislative session.

"If you describe consumer protection as forced rate increases, no accountability for poor service and no competition for telephone service, then these bills are the ticket," Moses said. "In short, telecom legislation is a fraud being sold to the people of Indiana, and we simply cannot allow it to become law."

The representatives said the proposals offered a series of land mines in telephone service.

"Senate Bill 245 would allow telephone companies to pass along rate increases as high as 30 percent over the next three years," Crooks said. "In 2009, monopoly telephone companies would have the ability to set their own rates. People would be forced to pay rate increases for broadband Internet investments, even if they don't want the service."

Pierce added, "This legislation puts the affordability and reliability of phone service at risk. Starting in 2009, the Indiana Utility Regulatory Commission (IURC) would not be able to put any limits on telephone rates or set any quality of service standards. Basically, the IURC would be powerless over the telecommunications industry."

Moses, Crooks and Pierce also challenged one of the chief arguments for deregulation of local phone service: the change is needed to deploy broadband (high-speed) Internet technology throughout service territories.

"The IURC already has ordered the major telephone companies to deploy broadband Internet services, and all indications are that most of the major companies have increased their penetration into Indiana markets," said Pierce, who noted that SBC/AT&T is mandated to make such services available to more than 75 percent of its customers by June 2008 and Verizon to more than 70 percent of its customers by the end of 2007.

"Finally, we just have to say that this push for deregulation would just belabor the obvious," Crooks said. "Now that SBC has purchased AT&T, the new conglomerate has a near monopoly on telephone service. There is no justification for removing such a giant from the protective gaze of state government."

Moses said, "If the people of Indiana can ignore the blizzard of propaganda being shoved at them by supporters of this plan, they will realize that telecom deregulation is a bad proposition for this state and it must be stopped."

Joining the legislators at the press conference were representatives of a consumer coalition entitled Hoosiers for Affordable Telephone Service (HATS), which includes the Citizens Action Coalition, the Indiana Community Action Association, AARP, Common Cause, United Senior Action, Indiana Coalition on Housing and Homeless Issues, the Indiana Media Action Coalition, the Indiana Chapter of the Alliance for Community Media, and Public Access Indiana.

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